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## CURRENT SUPPORT BRIEF

NEW REGIONAL CHINESE COMMUNIST PARTY BUREAUS ASSUME  
RESPONSIBILITIES FOR ECONOMIC COORDINATION

OFFICE OF RESEARCH AND REPORTS

CENTRAL INTELLIGENCE AGENCY

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NEW REGIONAL CHINESE COMMUNIST PARTY BUREAUS ASSUME  
RESPONSIBILITIES FOR ECONOMIC COORDINATION

The establishment of six new regional bureaus of the Central Committee of the Chinese Communist Party was announced on 20 January 1961 in the communiqué of the 9th Plenum of the Party, 1/ but the communiqué did not explain the purpose, function, personnel, or structure of the bureaus.\* Subsequent fragmentary information in the Chinese press indicates, however, that these regional Party bureaus are beginning to exercise considerable authority in the coordination and control of economic activity within their jurisdictions. Although the responsibilities of the bureaus probably have not yet been completely determined, up to the present the purpose of the bureaus seems to be the reassertion of central control and direction throughout the economy on a pragmatic basis. It also is possible that they are intended to serve as nuclei for the future development of full-scale regional economic control centers.

The importance of the new regional Party bureaus is suggested by the appointment of a Central Committee member, Sung Jen-chiung,\*\* as First Secretary of the Northeast Region. 2/ In addition, announcements in the press in March and April 1961 report three of the bureaus (the Northeast, East, and Central-South) actively issuing directives and coordinating plans within the region for agricultural production, allocation of manpower, allocation of important industrial commodities, and retail trade. 3/

The Peoples Daily of 18 April 1961 provided the first indication of a formal organizational structure in the regional bureaus. The Northeast Bureau was reported to contain a planning committee, an economic committee, and a finance committee, strongly suggesting that the regional bureaus have broad responsibilities for working out regional plans that support national economic objectives.

Economic control by regional organizations has not been exercised in Communist China since 1954 when the seven regional "administrative areas" were abolished. These "administrative areas" had operated from 1949 to 1954 as strong semiautonomous centers of control with formal Party, government, and military elements. They were replaced in 1954 by a system of direct central ministerial control over all aspects of economic activity. In 1958 the highly centralized administrative system was relaxed to give the provinces direct control over (1) production in all but large heavy industrial plants, (2) investment in small construction projects, (3) over-all allocation of manpower, (4) allocation of all but a few major industrial commodities, and (5) retail trade.

\* The probable boundaries of the new regional jurisdictions are shown on the map included in this memorandum. These boundaries have been pieced together from press references to the bureaus, but no official announcement on boundaries has been made. (These boundaries differ in a few respects from the regions tentatively established for the forthcoming ORR project) Location of Economic Activity in Communist China.)

\*\* Sung was only recently released from his position in the central government as head of the ministry responsible for the development of atomic energy.

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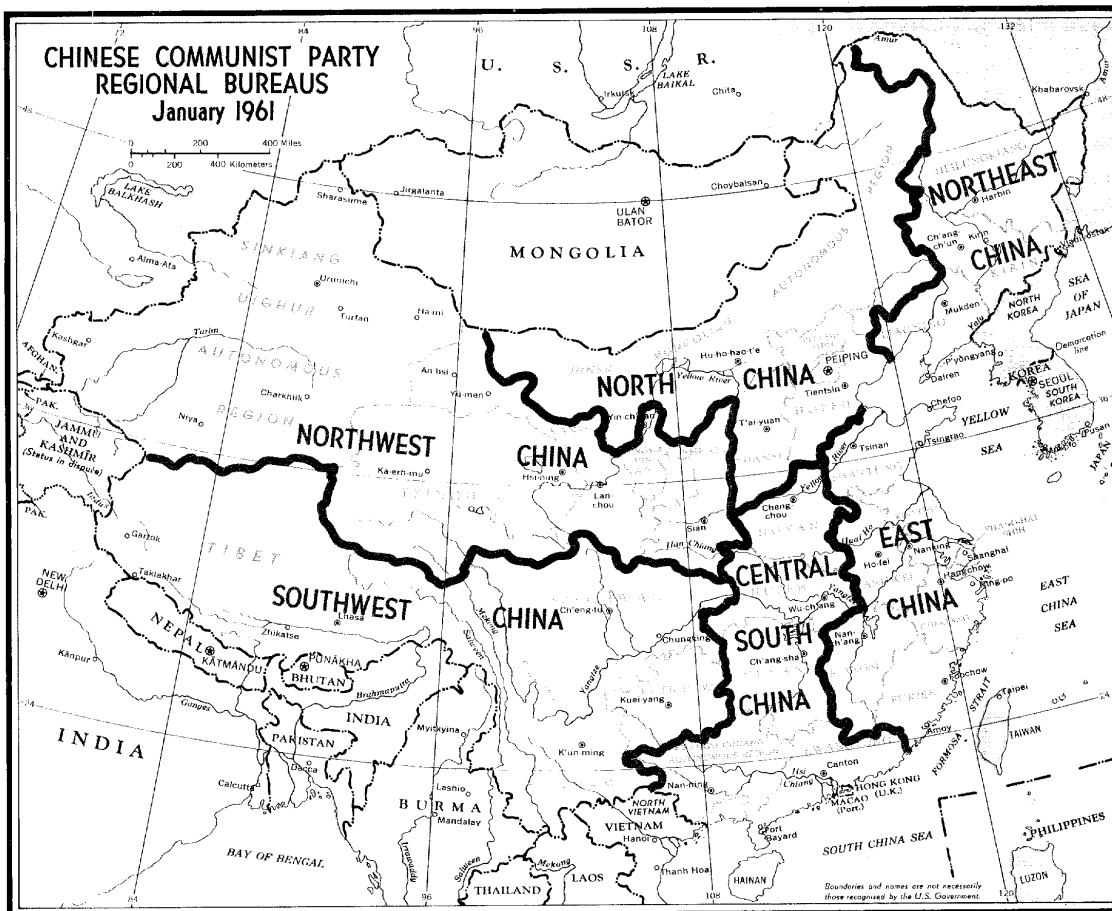
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The "leap forward" in 1958, however, did much to encourage provincial officials to overcommit their resources. Shortages of construction materials and other important industrial commodities developed as local officials scrambled to meet plan targets, and men and machines were overworked, leading to poor quality of output, breakdowns in machinery, and costly delays in the supply of raw materials and in the delivery of finished goods. Although attempts were made in 1959 to reassert central direction and control (by more carefully defining the responsibilities of the State Planning Commission with respect to the provinces), this current establishment of regional Party bureaus at a level between the Party center and provincial officials tends to indicate that earlier measures to restore national direction and purpose were not completely successful. It also is possible, moreover, that the Chinese Communists intend to use these bureaus as the forerunner of more elaborate regional organizations. The Chinese have stated that a system of "economic regions" would be evolved during the Second Five Year Plan period (1958-62) 4/, and although no one set of regions has ever received official sanction, planning officials have discussed "economic coordination regions" throughout 1957-59. The boundaries indicated by the six new regional party bureaus include fairly logical groupings of provinces very similar to the pre-1954 "administrative areas."



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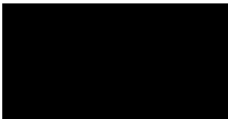
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Analyst:



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Coord :

Sources:

1. [Redacted]
2. Ibid, 8 Mar 61, CCC 9-10. OFF USE.
3. Jen-Min Jih-Pao, 18 Apr 61, p. 3. U.  
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4. CIA, FDD Summary no 1146, 27 Nov 56, p. 61. C.

*D. J. [Signature]*

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